

ADMINISTRATION AND FINANCE COMMITTEE

DATE: May 31, 2005

CALLED TO ORDER: 5:04 p.m.

ADJOURNED: 5:34 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Vernon Brown
Lance Langsford
Lynn McWhirter
Mary Moriarty Adams
Jackie Nytes
Lincoln Plowman

Absent Members

AGENDA

PROPOSAL NO. 238, 2005 - approves a transfer of \$1,100,746 in the 2005 Budget of the Marion County Auditor, Marion County Clerk, Voters Registration, Marion County Treasurer, Franklin Township Assessor, Marion County Prosecutor, Prosecutor's Child Support Division, Forensic Services Agency, Marion County Sheriff, Community Corrections, Marion Circuit Court, Marion County Justice Agency, Marion Superior Court, and Guardian Home (County General Fund) to bring Marion County employees up to minimum salary grade

"Postpone"

Vote: 7-0

PROPOSAL NO. 239, 2005 - approves an increase of \$2,542,156 in the 2005 budget of the Election Board (Help America Vote Act Fund) for voting machine refinancing and Election Systems and Software litigation

"Do Pass"

Vote: 7-0

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, May 31, 2005. Chair Joanne Sanders called the meeting to order at 5:04 p.m., with the following members present: Vernon Brown, Lance Langsford, Lynn McWhirter, Mary Moriarty Adams, Jackie Nytes, and Lincoln Plowman.

PROPOSAL NO. 238, 2005 - approves a transfer of \$1,100,746 in the 2005 Budget of the Marion County Auditor, Marion County Clerk, Voters Registration, Marion County Treasurer, Franklin Township Assessor, Marion County Prosecutor, Prosecutor's Child Support Division, Forensic Services Agency, Marion County Sheriff, Community Corrections, Marion Circuit Court, Marion County Justice Agency, Marion Superior Court, and Guardian Home (County General Fund) to bring Marion County employees up to minimum salary grade

Dan Jones, Auditor's office, said this proposal will increase the minimum salary grade for County employees, realign the appropriation in the 2005 County budget for insurance premiums (appropriate the transfer to each County agency), and add \$120,000 to the Auditor's budget in character 01. Mr. Jones said the \$120,000 will be a transfer and there will be no additional appropriation.

Chair Sanders asked why the realignment of the appropriation for health insurance is not reflected in the digest or the proposal. Mr. Jones said he understands Chair Sanders concern, because a majority of the dollars are to realign the health insurance premiums. He suggested the digest be amended to reflect the appropriation.

Councillor Nytes said this proposal is complicated because there are other issues to this proposal besides the minimum level of salary. She said there are issues with work week, benefits, number of holidays, etc. She said the committee has a great opportunity to address all these issues this year with the salary study and implementing provisions of Senate Bill No. 307. Councillor Nytes suggested that all these issues be addressed at the same time and the proposal to be brought back to the committee in a more comprehensive form.

Marty Womacks, County Auditor, said merging human resources is not a part of Senate Bill No. 307. Councillor Nytes asked why she had that impression. Ms. Womacks said the merging of human resources started in another bill but was not put into Senate Bill No. 307. Councillor Nytes asked if the merging of human resource departments would then be the act of the Council. Terry Nelson, Chief Deputy Auditor, said it is his understanding that it would be the act of the Council.

Chair Sanders indicated that the information she received from the Auditor's office does not match the numbers in the ordinance, nor is there a distinction made between the actual payroll taxes (due to the salary increase) and the actual amounts that are being put into the various fringe lines (relating to the health insurance premiums). She also stated that when the committee runs all the numbers there is a \$16,000 discrepancy between

what appears to be needed for both salary and fringe for upgrades and the total amount that is going into the salary line. Mr. Jones said the reason why the numbers are a little different is because the ordinance was based on data from different payrolls. Chair Sanders said she would like to see a much cleaner ordinance and supports postponing this proposal.

Councillor Brown said he is in support of increasing salary grades for both the City and the County to become equal. He also stated that he would like to see the insurance premiums paid for County employees in a separate proposal. Mr. Jones said a separate proposal can be done but this proposal will have to be tabled and three proposals reintroduced. He stated the reason why the proposal was submitted now is because they wanted to begin paying County employees by July 1, 2005. Councillor Brown said right now he could not support any salary increases because of the current financial situation. He said later in the summer the Council will have a better picture of where the City and County stands financially.

Councillor Moriarty Adams said she would like to see the health insurance premium cost individually accounted for in the ordinance. Mr. Jones said he will provide that information.

Councillor McWhirter requested more background information to explain what each figure is for in the proposal. She stated that she would also like the payment to be retroactive to July 1, 2005 once the proposal is decided on and the figures are in place.

Councillor Langsford said he supports postponing the proposal but he wants to make sure the County employees get what they deserve.

Councillor Nytes encouraged the Auditor's office to make sure that the departments, who have manageable adjustments, take a look at their budgets to see if they can make the adjustments within their existing character 01.

Councillor Nytes moved, seconded by Councillor Moriarty Adams, to "Postpone" Proposal No. 238, 2005 until June 21, 2005. The motion carried by a vote of 7-0.

Ms. Womacks asked if the committee is requesting three ordinances or one ordinance that is more detailed. Chair Sanders said it would be appropriate to do the health insurance premiums as well as the salary adjustments. She said the back up information needs to be relative to the insurance, salary, and fringe breakdown. Chair Sanders said the increase in the Auditor's budget needs to be separate because it is a separate issue.

Bart Brown, Council's Chief Financial Officer, said if the items are going to be separate, a new ordinance may need to be introduced at the June 13, 2005 Council meeting. He suggested the chair talk with Aaron Haith, General Counsel for the Council, on how to handle the ordinances.

PROPOSAL NO. 239, 2005 - approves an increase of \$2,542,156 in the 2005 budget of the Election Board (Help America Vote Act Fund) for voting machine refinancing and Election Systems and Software litigation

Doris Anne Sadler, Marion County Clerk, directed the committee members to Exhibit A (Help America Vote Act (HAVA) Reimbursement Fund), B (mid-payment schedule w/ \$475,000), and C (mid-payment schedule without \$475,000). She said Exhibit A shows the breakdown of the amount they are asking for appropriation. Ms. Sadler said when the County purchased the voting machines they entered into a note through the Indianapolis Bond Bank. A repayment schedule was set based on the federal money that is given by the State to pay for the machines. She stated the ES&S litigation expenses were due to outside counsel hired to pursue litigation against ES&S for difficulties with their contract. The litigation was voted on unanimously by the County Election Board. Ms. Sadler stated the reason why there are two exhibits for the loan payment schedule is because she wanted to show without the anticipated \$ 475,000 from the County General Fund, the County Election Board will be short by 2010 to pay off the note in full. She said the appropriation within this proposal does not include the \$475,000 that was anticipated for 2005. She stated the principal payment can be made this year but it does affect the long term payment of the note in 2010. Ms. Sadler said they are expecting another federal reimbursement on July 05, 2005 for over \$2 million for a reimbursement totaling \$7,312,000.

Councillor Nytes asked what happens in September 2010 when the \$2.7 million is still owed. Ms. Sadler said without the anticipated \$475,000 the note will have to be taken out further to pay for it. Councillor Nytes asked why they are assuming there will never be a County payment. Ms. Sadler said she is not assuming there will not be a payment, but because there is not one for this year she wanted to show the effect of not having that payment. Councillor Nytes asked if Exhibit C is the worst case scenario. Ms. Sadler replied in the affirmative. Councillor Nytes asked if the \$475,000 could be put in before 2010, would there still be a shortfall. Ms. Sadler replied in the affirmative.

Councillor Langsford asked what was the county trying to get with the litigation. Ms. Sadler said they are trying to get money. Councillor Langsford asked if the money will cover the cost of the litigation. Ms. Sadler replied in the affirmative and said they would like to have a significant amount of money back.

Councillor McWhirter asked if the County could use the HAVA fund for litigation. Ms. Sadler replied in the affirmative and said they have received approval from the Bond Counsel and the Corporation Counsel.

Chair Sanders asked if they have speculated on further funding from HAVA over the next couple of years. Ms. Sadler said the only further payment they expect is in July 2005. She said the State approved \$8,000 per precinct at 914 precincts for a total of federal reimbursement of \$7,312,000.

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Councillor Moriarty Adams moved, seconded by Councillor Langsford, to send Proposal No. 239, 2005 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 7-0.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 5:34 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee

JS/as

